

Montana State Fair
8/10-13

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PHILIP MORRIS

U. S. A.

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 880-5000

June 20, 1996

*No fact sheet
done*

Mr. Bill Chiesa
CFE, General Manager
Metra Park/Montana Fair
P.O. Box 2514
Billings, Montana 59103

Metra Park/Montana Fair

Dear Mr. Chiesa:

This letter constitutes the agreement (the "Agreement") between Philip Morris Incorporated ("Philip Morris") and the Metra Park/Montana Fair ("Promoter"), regarding Philip Morris' sponsorship, on behalf of its **MARLBORO** brand of cigarettes, of the Metra Park/Montana Fair (the "Fair") to be held at the Montana Fairgrounds on August 10, 1996 through August 17, 1996, and Philip Morris' presentation of **MARLBORO Music Concerts** (the "Concerts") to be held at the Fair on August 10, 1996 through August 13, 1996. The terms of the Agreement follow:

1. Sponsorship Rights. In consideration for Philip Morris' sponsorship of the Fair and presentation of the Concerts, Promoter grants to Philip Morris the following sponsorship rights:

(a) the exclusive right to conduct tobacco sales and branded incentive item distribution among smokers twenty-one years of age or older from three promotional kiosks and a 10' x 22' promotional tent with electrical power, at locations at the site of the Fair to be mutually agreed upon by the parties;

(b) the right to hang and display banners and signage on and around the promotional tent and the promotional kiosks and at other locations at the site of the Fair to be mutually agreed upon by the parties;

(c) the right to receive three hundred complimentary Show Ticket Concert Books and ten complimentary VIP parking passes, which will be delivered to Philip Morris upon execution of the Agreement;

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(d) the right to receive five hundred complimentary adult gate admission tickets to be used at Philip Morris' discretion; and

(e) the right to recognition in advertising placed in connection with the Concerts or the Fair and the right to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris, **MARLBORO** or **MARLBORO Music**; provided, however, that such approval is effected on a timely basis.

2. Philip Morris' Obligations. Philip Morris will:

(a) provide the services of a third party **MARLBORO Music** promoter in order to coordinate Philip Morris "meets and greets" back stage at the Concerts and in the hospitality room at the Concerts;

(b) provide the services of a third party production coordinator to coordinate stage design and provide production and stage management, supervision and support to the Fair's Concert operating crew;

(c) provide the services of a public relations agency to publicize the Concerts;

(d) use the **MARLBORO Music** logo and the title "**MARLBORO Music** State Fair Tour" logo in connection with the Concerts; and

(e) provide local print advertising featuring the **MARLBORO Music** logo and the Fair logo for additional media support, with copy and artwork to be provided solely by Philip Morris.

3. Promoter's Obligations. Promoter will:

(a) assume complete responsibility for securing all music licensing rights and paying all required fees, i.e., ASCAP and BMI;

(b) provide complimentary secured parking for all buses, trucks and rental cars used by the artists who will perform at the Concerts (the "Artists") and the Artists' personnel, Philip Morris personnel and other personnel associated with the Concerts;

(c) provide venue house security, and, under the direction of a third party engaged by Philip Morris to provide staffing requirements, provide backstage security;

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- (d) provide complimentary on-site storage space, vendor parking and admission passes;
- (e) provide exclusive space sufficient for an on-site hospitality area for each day of each Concert (the "Zonta Room"). Promoter will provide, at Promoter's expense, beverages and hot and cold hors d'ouerves for the Zonta Room;
- (f) utilize the **MARLBORO Music** credentials and identification for Philip Morris staff and talent to gain backstage access and parking;
- (g) use the title "**MARLBORO Music** State Fair Tour," when referring to the tour and use the title "**MARLBORO Music** Featuring [Artist Name]," when referring to the Concerts; such use will not constitute an endorsement by Philip Morris or the Fair;
- (h) adhere to the production requirements and signage lighting requirements, attached hereto as Exhibits A and B, respectively, and to performance agreements with the Artists, including riders thereto;
- (i) obtain all releases, licenses, permits, approvals, consents and other documents required in connection with the Fair and the Concerts and for the performance of Promoter's duties under the Agreement and advise Philip Morris in advance of any charges or fees that will be incurred in obtaining such releases, licenses, permits, approvals, consents or other documents;
- (j) be available to meet at reasonable times with Philip Morris representatives at Philip Morris headquarters in New York, New York or at other locations designated by Philip Morris; and
- (k) perform in a professional manner.

4. Sponsorship Payment. In addition to fulfilling the performance of its obligations as outlined in Paragraph 2, for the rights and permissions granted under the Agreement, Philip Morris will pay Promoter an aggregate of \$75,000. Philip Morris will pay Promoter \$37,500 within thirty days after complete execution of the Agreement and submission of an invoice, and the balance of \$37,500 within thirty days after Promoter's submission of an invoice on or about August 1, 1996.

5. Term.

- (a) The term of the Agreement will commence upon its execution, and will continue through the later of the last date of the Fair or Promoter's complete performance of its obligations under the Agreement to the reasonable satisfaction of Philip

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Morris. Philip Morris has the right to renew the Agreement, if the Fair is held in 1997, upon written notice delivered to Promoter on or before February 1, 1997. If Philip Morris elects to renew the Agreement, all terms and conditions of the Agreement will apply to the renewal, except for appropriate date changes and the provisions of Paragraph 4. The parties will negotiate such provisions in good faith and memorialize their agreement in a separate writing.

(b) If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgement, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful, impracticable or, in the judgment of Philip Morris, materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action. If the Agreement is so terminated, Promoter will refund to Philip Morris all amounts paid to Promoter by Philip Morris hereunder. Promoter may deduct from the refund all documented nonrecoverable costs properly incurred by Promoter on behalf of Philip Morris in connection with the Agreement. Promoter will immediately deliver documentation for all such costs deducted.

6. Ownership. All material prepared or developed by Promoter pursuant to the Agreement will become the property of Philip Morris and Promoter hereby agrees to assign to Philip Morris any and all rights to copyright the material. Upon the acceptance by Philip Morris of any copyrightable material prepared by Promoter, Promoter at the request of Philip Morris will assign all of its right, title and interest in and to the material to Philip Morris and execute an assignment in a form acceptable to Philip Morris.

7. Confidentiality. Promoter, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing services pursuant to the Agreement. Promoter will not use or disclose the existence or terms of the Agreement, the information or materials, or any other confidential information to third parties without the prior, written consent of Philip Morris. Upon the termination or expiration of the Agreement, Promoter will return all materials to Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

8. Exclusivity. Promoter will not enter into sponsorship agreements with any other manufacturer of cigarettes or other tobacco products, nor permit any signage or commercial identification of any other cigarettes or other tobacco products or tobacco product branded incentive items in connection with the Fair or the Concerts, without the prior, written consent of Philip Morris.

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9. Independent Contractor. Promoter is and will remain an independent contractor and nothing in the Agreement will be construed to create a relationship of principal and agent or employer and employee between Philip Morris and Promoter or any of Promoter's employees or agents within the meaning of any federal, state or local law. Except as specifically stated in the Agreement, Promoter will not enter into any agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without Philip Morris' prior, written approval.

10. The MARLBORO Name. Promoter will have no right, title or interest in or to the MARLBORO name or the slogans, designs or logo-types associated with MARLBORO or MARLBORO Music, except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described in Paragraph 1(e).

11. Insurance.

(a) Promoter is an agency of the State of Montana, Yellowstone County, and its officers and employees are entitled to statutory indemnification provided for in Montana statutes. Promoter cannot provide insurance, indemnification or contribution for the acts of others nor can it name others as additional insureds or provide certificates of insurance. Promoter also is not permitted to enter into "hold harmless" or similar agreements. The provisions of this paragraph will control notwithstanding other contrary provisions in the Agreement or its riders, attachments, addenda or exhibits.

(b) Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Promoter.

12. Indemnity.

(a) Promoter agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

(b) Philip Morris agrees to indemnify and hold harmless Promoter, its affiliates and each of their respective officers, employees, directors and agents from all claims liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Philip Morris. Philip Morris' obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

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13. Third Party Contacts. If at any time Promoter is contacted by a third party, including the media, other than as required by the terms of the Agreement, concerning Promoter's activities on behalf of Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

14. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, Attention: Mr. Bill Chiesa, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Vice President, Marketing Services.

15. Miscellaneous.

(a) The Agreement and all matters collateral hereto, will be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the reasonable control of either party delaying or causing the cancellation or delay of the Fair or any Concert will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term or condition of the Agreement will be deemed a waiver of any subsequent breach of the term or condition or any other term or condition of the Agreement or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other party. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties.

(e) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties on the subject matter of the Agreement.

(f) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

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Mr. Bill Chiesa
June 20, 1996
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(g) Each party hereto will comply with all applicable laws, regulations and ordinances affecting its activities hereunder, including the provisions of Title 15 U.S.C. §§ 1331 et seq.

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning the enclosed copies of this letter. We will forward one fully executed copy to you.

Very truly yours,

Onm
PHILIP MORRIS INCORPORATED

By: *Ina W. Broeman*

Title: _____

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

METRA PARK/MONTANA FAIR

By: *Bill Chiesa*

Bill Chiesa

Title: *General Manager*

Taxpayer ID No.: _____

Filing Status: _____

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EXHIBIT A

PRODUCTION REQUIREMENTS

Following are minimum production requirements for staging the 1996 **MARLBORO Music State Fair** concerts:

- Stage: At least 40' wide x 30' deep with roof, attached sound wings, capable of supporting two 24' x 24' **MARLBORO** scrims (drapes).
- Power: The following is the minimum power requirement for lighting and sound. The source can be either share power or generator. In the event of generator supplied power, an additional 300 KUA back-up generator is required.

Lighting: One 400 AMP 30 service

Sound: One 200 AMP 30 service plus power distribution for on-stage equipment
- Lights: 120 K lighting system for the stage, with additional instruments to light **MARLBORO** scrims and flags. See Exhibit B for appropriate lamps and acceptable substitutes.
- Sound: Adequate for location with ability to fulfill completely band contract requirements.
- Labor: Experienced stage hands as are necessary for the Concerts, including set-up/tear-down of **MARLBORO** scrims.
- Catering: As per artist contract.
- Dressing Rooms: As per artist contract.
- Hospitality Tent: 30' x 40' with lights
Three 20 AMP services with lights
- On-site Production: Office with two phone lines.
- On Fly Dates: Backline as per artist contract.
- Two Runners: One with a fifteen passenger vehicle
One with a vehicle

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- Ground Transport: As per artist contract
- Other requirements:
 - A. Ability to strike all other corporate logos and signage at venue.
 - B. **MARLBORO** credentials will be used exclusively on the day of each Concert.

NOTE:

These are typical requirements. Exact requirements are dependent on the venue and will be decided by the **MARLBORO** advance team.

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EXHIBIT B

SIGNAGE LIGHTING REQUIREMENTS

Following is a list of additional required lighting for the **MARLBORO** signage. All lamps must be fully dimmable and controlled from either the front of house console or another position with the approval of **MARLBORO Music's** Production Manager.

MARLBORO SCRIMS

Two 24' x 24' scrims hang in front of the speaker stacks on either side of the stage. These should be lit with two 9 light Mole Richardson Mole Fays, with DWE lamps, per scrim.

Acceptable Substitutes:

Eight Light Thomas Moles (NO ACL's): Two per scrim
Four Cell 1K Far cys: Two per scrim

MARLBORO FLAGS

Six 2' x 12' Red Flags hang on various parts of the stage and sound wings. These should be lit with one Par 64 1K MFL each.

Acceptable Substitutes:

8" 1K Fresnel with Barndoors: One per flag
Par 46 MFL lanterns: Two per flag

MARLBORO HEADER

A 40' header hangs across the down stage edge of the roof. It should be lit, from the floor, with two Bars of 4 Par 64 ACL's.

Acceptable Substitutes:

Two Bars of 6 Par 64 UNSP
Three Bars of 4 Par 36 ACL's